Tells the Facts and Names the Names

CounterPunch

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Repellent, Underhanded and Perverse

Influence Peddlers' Bestiary

The lobbyists massed in Washington are what Percy Bysshe Shelley called poets, the unacknowledged legislators of mankind. They comprise the fourth branch of government, and supervise all political business. Of course, as we shall see in the case of Clint Eastwood, lobbying is scarcely an art practiced only in Washington and influence peddling is hardly confined to registered practitioners of the trade.

Overseeing the crossroads of power like the spirits of old necromancy, these lobbyists dispose the necessary traffic of money and favors. Some, like Robert Strauss or Charls Walker, are as fixed in their eminence as any Supreme Court justice. Others lead a more clandestine existence or have but recently taken up their calling.

As part of our new quarterly lobbyist round-up, we bring you a zoo of the repellent, the underhanded and the perverse. Much of this information has been gleaned from the files of the Justice Department's Foreign Agents Registration Office, which offer an incomplete but revealing look at the work of the nation's most shameless influence peddlers.

Herman Cohen

The Bush administration's assistant secretary of state for African affairs, Cohen is now a lobbyist and official at the Global Coalition for Africa, a World Bank-linked outfit which promotes austerity across the continent. Last year Cohen devoted much energy to undermining the democratic opposition in Zaire. He undertook several "private" visits to 30-year tyrant-in-residence, Mobutu Sese Seko — a close friend since Cohen was posted in Africa in the 1950s — and helped orchestrate the installing as prime minister of the notoriously corrupt Kengo wa Dondo. Kengo was Mobutu's prime minister in the late 1980s, and is best known for his brutal implementation of IMF and World Bank regimes.

Two months ago, Cohen took on another sordid client, signing a $300,000 annual contract with the government of Gabon. Cohen described himself in the document as "a retired American ambassador who has devoted 30 years to diplomatic work in Africa. He has enormous contacts with the highest levels of government and private sector in Africa," and, in the U.S., has "rapid access to high officials who are concerned with African affairs".

Cohen's contract calls for him to handle media relations, write a monthly press release and promotional brochure, and prepare a visit this year to Washington by President El Hadj Omar Bongo. His mission, says the contract, is to present Gabon as a "politically stable and economically successful country", and to "generate awareness on President Bongo and his national and international accomplishments", including the "very concrete process of democratization and democratic reforms brought about under [his leadership]".

Last month, the State Department released its annual report on human rights practices around the globe. According to Cohen's former colleagues at State, the government of Gabon was responsible "for many confirmed extrajudicial killings", and torture in President Bongo's homeland was routine: "Eyewitnesses reported seeing prisoners tied to chairs, doused with ice water, or made to crawl on their stomachs over gravel or sun-baked asphalt. There were other credible

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First the Laughter, Now the Tears

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■

Back from the Future

"High rewards are associated with high risks. The same market-oriented policies which are attractive for investors can foment the kind of political instability which has recently rocked Mexico."

— From "Blood on the Floor in Emerging Markets: Timing the Re-entry", *Emerging Markets Analyst, March 1995*

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Arkansas Plutocrats Fight Back

Our March 1 report on the Northwest Arkansas Regional Airport – a scheme by which taxpayers will shell out $100 million to finance an airport whose prime purpose is to enrich its sponsors, chiefly Bill Clinton's wealthy Arkansas cronies – was picked up widely, most conspicuously on the front-page of the April 1 *The Washington Post*.

In the president's home state, a furor quickly ensued on publication of our story. The Arkansas billionaires behind the airport scheme – notably the Tyson family of Tyson Foods and the Waltons of Wal-Mart – are accustomed to enjoying the benefits of the public treasury undisturbed, and are angered and amazed that it is now necessary to justify use of state resources.

A p.r. counter-offensive was duly launched, pitting Northwest Arkansas against **CounterPunch**. The *Northwest Arkansas Times* ran a story on March 29 headlined "Airport advocate angry at claims in newsletter". The advocate referred to was Carol Lindsey, a long-time Friend of Bill, who said our article on the Poultryport represented "a patent violation of freedom of the press". The article closed with another quote from Lindsey, who said that "Northwest Arkansas has a lot to offer not just this country but the whole world. [The **CounterPunch** article] is just another attempt to slam the business and industry of Northwest Arkansas."

Moira Minielly of the *Benton County Daily Record* – a newspaper in which the Walton family has a major interest – called to find out why we hadn't interviewed the Waltons or the Tysons about the story. We informed her that we had absolutely no interest in what those parties had to say, as they had had five years to present their views on the subject while the local media had shut out the airport opponents we spoke with in preparing our report. Minielly – a recent transplant to the region from Chicago who appears to have quickly learned that criticism of the Waltons is not the prudent path to success in Northwest Arkansas – seemed most interested in finding out the names of our Arkansas informants, a detail she was naturally denied. ■

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reports of security forces extracting confessions by beating the soles of prisoners' feet or by bending or twisting fingers."

As to the "very concrete process of democratization" that has taken place under Bongo – in power since 1967 – the State Department report said that the December 1993 election in which Bongo won with 51 percent of the vote, was "marred by serious irregularities, including a secret vote count that excluded all but government observers. In Bongo's home region of Haut-Ogooué, the number of votes cast for Bongo was greater than the population reported by the 1993 census.

Carol Tucker Foreman

At our last encounter (see **CounterPunch**, Jan. 1, 1995) Foreman, founder of the Safe Food Coalition and ardent lobbyist for more rigorous food inspection standards, was quietly flacking for Monsanto, the maker of the milk-inducing cow drug, recombinant bovine growth hormone (rBGH), and of various cancer-causing pesticides. Foreman has been using her reputation as a consumer advocate to set up visits by activists to Monsanto's St. Louis H.Q., for sales pitches for BGH.

Foreman, we have since learned, is also lobbying for Procter & Gamble. Her allotted cause is the fat substitute, olestra. The FDA has been reviewing olestra since the mid-1980s. If approved it will mean millions for the company.

As with Monsanto, Foreman's standing as a crusading champion of consumers has served her corporate client well. She's arranging for activists to attend luncheons P&G has been holding around the country, where well-known chefs whip up meals cooked with olestra. Dieticians and nutritionists are also on hand to promote the virtues of the product. But since olestra is still not approved by the FDA, participants at these banquets must sign a statement which frees P&G of liability in the event of any untoward reaction.

We called Michael Jacobson of the Center for Science in the Public Interest, which works with Foreman in the Safe Food Coalition. He professed himself incapable of espying any conflict-of-interest in Foreman's dual roles as consumer advocate and industry flack – even though he mused that industry hires her because she has "credibility": "The Coalition has stayed away from food additives and biotechnology issues," Jacobson says. "If we got involved in those areas I'm sure Carol would recuse herself."

Jacobson lauded Foreman's talents and defended working with her. "She's tough as nails. If anybody can find a better person working on food safety issues than Carol, I'd like to know about it."

Robert Chlopak

Lobbyist and Democratic Party operative. One of Chlopak's tasks in the early Clinton days was to co-opt the national green groups to the "Option 9" plan for the public forests of the Pacific Northwest. His firm of Chlopak, Leonard, Schecter & Associates recently signed up to work for the Mexican government, which is most definitely in need of a

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serious p.r. makeover. The February 5 filing says Chlopak's firm will "provide the Office of the President of Mexico with advice and assistance on communications issues". No fees are being paid at the present time but Chlopak is not known for his charitable work. Large sums of money will no doubt soon be changing hands.

Chlopak also has signed up to do communications work for the government of Colombia, by far the worst human rights abuser in the hemisphere and recipient of about half of all U.S. military aid in the region. As Ana Carrigan points out in the March/April *NACLA Report on the Americas*, during every year since 1986, more people have been killed, disappeared, or suffered death by torture at the hands of the Colombian government or death squads than the total number of victims of political repression during the 17-year Pinochet dictatorship in Chile.

However, Chlopak's firm fulfills a daintier task for its client, seeking to build support for roll-back of tariffs and protectionist measures against Colombian cut flowers. Towards this end, Chlopak secured a study by Mark Falcoff and Claude Barfield of the American Enterprise Institute which warned that protectionist policies could "undermine free-trade gains produced by NAFTA and GATT". The study was released last Dec. 6, exactly two weeks before Mexico's economy collapsed and even the pretense that there might be any NAFTA-linked "free-trade gains" went up in smoke.

(The AEI study distributed by Chlopak's firm is typical of the way p.r. firms now routinely make use of "independent" academics. One industry rep described his technique for us: "I call up an 'expert', feign interest in his or her work, confirm that it's consistent with the industry viewpoint, and then seek to strike a deal", normally for either a study or an appearance at a press event. "We don't say that we want an industry mouthpiece, but that's what it amounts to – and they know it", this person says. "Buying an independent voice is a simple matter." He recalls asking conservative economist Murray Weidenbaum to appear at a media briefing on behalf of one of his clients. Weidenbaum said he was very busy but might be able to squeeze in half a day – if the p.r firm was prepared to fork over $15,000.)

Hyde and Clyde: What He Knew and When He Knew It

Henry Hyde now enjoys the illustrious post of chairman of the House Judiciary Committee. He also faces the inconvenience of being sued by the Resolution Trust Corporation for his role in the failure of Clyde Federal, an Illinois S&L. This indecorous state of affairs is still a relative secret in Washington. **CounterPunch** reported on the Illinois Republican's unpleasant circumstances last year and has now obtained new information.

Hyde sat on Clyde's board of directors between 1981 and 1984. The thrift went bankrupt in 1991, costing taxpayers roughly $67 million.

During Hyde's tenure, Clyde engaged in risky options trading which resulted in losses of $10 million, traded with Refco Inc., the notorious Illinois firm which later was involved in Hillary Clinton's commodity trading deals, and abandoned Generally Accepted Accounting Principles in favor of Regulatory Accounting Procedures – a smoke-and-mirrors system which Congress created to allow financially ailing financial institutions to appear to be solvent.

Hyde has always claimed that he played a minor role in Clyde's affairs, and was only remotely aware of the thrift's difficulties and the board's actions. Tim Anderson, an Illinois-based banking consultant, provided us with nearly 400 pages of documents regarding Hyde's years at Clyde. The material reveals that the congressman's explanation does not fully reflect the true state of affairs.

Hyde not only approved all the steps mentioned above, but also was a prime player in a number of other disastrous moves taken by the thrift. In 1982, Hyde seconded a motion by which the S&L purchased $28 million worth of Eurobonds through a U.S.-owned bank in the Cayman Islands, where terra firma is more shark-infested than the surrounding waters.

That same year Hyde also seconded a motion authorizing the thrift to offer bank directors and officials below-market rates on mortgage loans. Here Hyde was effectively violating the law since the House Banking Committee in 1978 – when Hyde was a member – approved a bill, later passed by Congress, which bars financial institutions from offering directors or officers better credit terms than those they offer to the public.

Hyde claims that Clyde was in fine shape when he left the board, and that he was entirely unaware that the S & L was in dire financial shape. But records show he was privy to a May 7, 1982 letter from a Federal Home Loan Bank Board agent advising the board that Clyde's position was so precarious that it might go bankrupt within 14 months.

In one arresting new development, the Judiciary Committee Chairman's lawyer, William Harte, told *American Banker* that he hadn't been billing the congressman for his work on the Clyde case because the two men are old friends. Upon being told that the donation of free legal services to a member of congress is a violation of ethics law, Harte hastily informed the magazine that he would "bill [Hyde] for every minute".

Asked about his legal bills, Hyde said he had no idea what he owed his lawyer, but said he's put $10,000 in an escrow account to pay his lawyers. That money didn't come out of Hyde's pocket, but from his leftover campaign contributions, the same method which Dan Rostenkowski used to finance his legal defense. This arrangement is highly suspect since lawyers must inform clients how the meter is running on at least a quarterly basis, As Anderson points out, $10,000 couldn't possibly cover two years of legal work in federal court, which Hyde is already liable for.

Anderson visited Washington in late April and presented the same material he gave us to Barney Frank, Joe Kennedy and many other House members (as well as to the press). Thus far the Democrats have been extremely hesitant to use the Clyde material against the Judiciary Committee chairman, a timidity perhaps explained by the party's own complicity in the S&L crisis. ■

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George McCarthy and Vincent Coates

These two men are the owners of KCM, a Washington lobbying outfit which recently signed a $460,000 annual deal to lobby for Indonesia. The contract calls on KCM to help the generals in Jakarta "bring to the United States a better understanding and awareness of Indonesia," especially in regard to the situation in East Timor. Since invading in 1975, the Indonesians have overseen the murder of 200,000 of East Timor's 600,000 people. McCarthy and Coates are doubly complicit in that slaughter, since they also lobby for Textron Inc. and Alliant Tech Systems, two companies which sell weapons to the Indonesian military.

Indonesia's position on East Timor – which KCM will be faithfully promoting – is outlined in the contract: "The presence of the Indonesian Armed Forces in East Timor is not only as caretaker to maintain order and security, but predominantly as agents of development, who, together with the people, attempt to raise the living standard of East Timor."

Previously working for Indonesia was Hill and Knowlton, home to Howard Paster, Clinton's former chief lobbyist, and Frank Mankiewicz, the one-time advisor to Robert Kennedy and leading Beltway liberal. Hill and Knowlton took in $3 million from the generals in 1993.

Tony Whittingham, who handled Hill and Knowlton's Indonesia account, told *Legal Times* that his firm had become squeamish about its Indonesia work following the 1991 massacre of hundreds of unarmed demonstrators in East Timor. True to his calling, Whittingham expressed his moral qualms as a matter of p.r. "We specifically backed away from that issue [Timor]", he told the magazine. "It would've made us look venal, like the kind of organization that would take on anything for a buck."

Indeed this is an odd explanation from the firm that the Center for Public Integrity names as the leading recipient of money from the "torture lobby". Between 1991 and 1992 Hill and Knowlton netted $14 million from human rights abusers such as Turkey, China, and Kuwait. (The account for the latter was handled by Lauri Fitz-Pegado, who maintains extremely warm relations with Commerce Secretary Ron Brown. Last year Brown furiously pressed the Senate to confirm Fitz-Pegado as his assistant secretary and director general/U.S. and foreign commercial services. The commerce secretary insisted that Fitz-Pegado get the post, which involves representing the U.S. at trade fairs and promoting exports, even though she had no prior experience in the area of international trade.)

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Clint Eastwood needs water for his property scheme and Gov. Pete Wilson can help him

Clint Eastwood

Actor and property developer, Eastwood, former mayor of Carmel, is following the gilded path of Bob Hope and Ronald Reagan by combining property development and Republican politics. His own interests now coincide with those of Pete Wilson, California's governor and aspirant for the Republican presidential nomination.

Eastwood has the majority share in a 500-acre parcel on the north side of Carmel Valley, named Canada Woods. This, prospectively, is a major real estate deal, with 44 luxury homes – running at about $1 million per – scheduled for construction, plus ten acres for light industry. But everything, including the 2.3 acres for gardens and lawns around each mansion, depends on the availability of water, which – as always in California – is in short supply.

Eastwood's only available source is the subsurface flow of the Carmel river, which California's State Water Resources Control Board, a quasi-judicial body, deems to be already over-committed. The Control Board came to this conclusion after hearings in both 1992 and 1994, when California's potent trout lobby – in this case the Carmel River Steelhead Association – complained that the local water company was illegally diverting water from the river's subsurface flow.

The Control Board was also considering an application for water rights to a new dam on the river filed by the retired naval officers, millionaires and golf course managers massed further west on Monterey Peninsula. This side of the Borgias there are few matters more serpentine than water politics in the West.

However, there are few operations simpler and more effective than a campaign contribution. Property lobbyists Eastwood has made substantial contributions over the years to Republican causes. For example, he gave $30,000 to the successful campaign to evict California's Chief Justice Rose Bird.

Governor Wilson's office is now leaning heavily on the Control Board to accommodate Eastwood's desires. There are allies already in place. Marc Del Piero, former Monterey County Supervisor and now on the Control Board, has been fund-raising for Wilson. The Department of Fish and Game, which has to sign off on Eastwood's plans, has also caught heat from Wilson's people.

So do not be entirely surprised if Dirty Harry shows up at Wilson's elbow in New Hampshire, or at least endorses his bid. A few dollars properly invested in political campaign chests can make the desert bloom like a rose, and bring millions of dollars in return. ■

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